Design Sense
A MARKETING PUBLICATION 52 OF LIPPINCOTT & MARGULIES

Canada's Future: Market or Marketer?

Canadian Business in a Changing World–*page 1* □ How Canada's Economy Got that Way–*page 4* □ Political Cry for Financial Independence–*page 7* □ Questions Raised by Marketing Move–*page 9* □ Canadian-U.S. Facts and Fables–*page 12* □ The Problems of Canadian Communications–*page 14* □ The Cominco Story–*page 17*

A Marketing Publication of
Lippincott & Margulies, Inc. and Lippincott & Margulies Ltd.
Consultants in Design–Marketing–Communications
277 Park Ave., New York, N.Y. 10017
2200 Yonge St., Toronto, Canada
53 Grosvenor St., London W 1, England
also Detroit and Zurich
No part of this periodical may be reproduced without written consent.
© Lippincott & Margulies, Inc. and Lippincott & Margulies Ltd. 1967

Canadian Business in a Changing World

Canada's Centennial Year and its Exposition in Montreal will undoubtedly call forth a spate of unblushing prose in praise of the Confederation. Good. Boosts to one's national ego are desirable and healthy. So let's wave the new flag and sing a chorus or two of "O Canada." Then, with these ceremonies out of the way, let us take a hard look at Canadian business, its problems and potential. A hard look? Yes. For there is no point in glossing over any real shortcomings and calling a spade anything but a digging tool. Dig we must...and for the dross no less than the gold.

Few businesses are so well conducted that they cannot be improved. The greater the potential, the more searching should be the investigation for the means of improvement. In Canadian business and corporate life, the potential is perhaps greater than any nation on earth. Its realization depends on a combination of things:

- the professional skills of those in charge.
- capital investment.
- the ability to foresee the new demands of a changing world and shift to meet them.
- the realities of marketing.
- industrial equipment and its effective use.

Even the vocabulary of the new rules can sound very much like a foreign language, pointing directions over unfamiliar marketing terrain. This is particularly true of marketing communications.

Comparisons between corporate and business life in Canada with that of the U.S. are inevitable for geographic, if for no other reasons. But the other reasons are manifold. Canadian business and industry are acutely aware that when Wall Street sneezes, Bay Street often catches a cold. And in the world community of nations, Canada's ties to the U.S. loom large—whether these ties are strengthened by continuing reliance on U.S. investment or weakened by a massive, unified Canadian effort to go it alone.

Prognostication is difficult. If Canada's political past is any yardstick, moves toward economic independence will be evolutionary rather than revolutionary. This is very much in keeping with the traditional national posture of compromise, caution and patience. These qualities are particularly needed in view of the stakes since, potentially, Canada is among the wealthiest nations on earth. But the winds of change blow with ever increasing force. The world community is, in the words of one observer, becoming a "global village." Distances between nations shrink at an accelerating rate as jet trails streak the heavens. Higher still, beyond the white plumes, man-made satellites wheel through space with planetary precision, enabling man to communicate around the globe...electronically...easily...instantly. And all of mankind is becoming homogenized as a result.

Against this background, let us take another look at Canada's evolving struggle for marketing independence. Will Canada be a market or a marketer? And what of marketing communications? Are Canadian firms using horse-and-buggy techniques in the jet and electronic age? Can marketing communications contribute significantly to the broadening of existing markets and the development of new ones?

These are big questions. The answers can only come to light by surveying the broad sweep of the Canadian economy.

Canada Today and How Its Economy Got That Way

People and money. These are the two most important elements in realizing the potential in the natural resources of *any* country. Canada's natural riches are so great that its potential is mind-boggling; its supply of people and money is miniscule when measured next to the task. The wonder is that so much has been realized from this second largest land area of any nation on earth—almost four million square miles—with such a sparing supply of the necessary ingredients.

In the century before Confederation and in the fifty years following much *had* been accomplished. The west had been settled and linked by rail to the eastern provinces. Some moves had been made to exhume the nation's mineral wealth. But it remained for the paradoxically beneficial effects of two otherwise destructive wars to infuse the stuff that nations grow on. World War I industrialized Canada; World War II greatly multiplied that industrial capacity. By the end of Hitler's war, steel production had doubled, aluminum production had increased six-fold, and hydro power had risen by over 40 per cent. Factories of every type poked chimney stacks into the air and their smokey issue proclaimed the end of a predominantly agricultural nation. And following both wars, immigrant tides swelled a population that stood at a mere 9 million in 1910, compared with 20 million today. In the period since World War II alone, 2 million people emigrated to Canada—two thirds of them non-English speaking.

Still, the supply of skilled labor and professional people—the technicians and engineers—is unequal to the challenges of Canada's vast land area and its resources. In part, this results from a long-held tough immigration policy which barred non-French and English speaking emigrés. Southern and Eastern Europeans were discouraged, as were Asiatics and Africans. One noteworthy exception: the invitation to Hungarians following their abortive revolution of 1956. With Canada's adoption of a liberalized policy in 1962, however, skills, education and training were wisely set above color and language as prerequisites for citizenship.

Today, the standard of living is one of the highest on earth. Indeed, the per capita ownership of the "hardware" of living—washing machines, refrigerators, automobiles, TV sets, telephones, and so forth—is higher than any other nation. Canada's gross national product has risen more than six and a half per cent annually since the end of World War II and may reach $60-billion in 1967...an average of $3,000 per capita. The unemployment rate, expected to range between four and five per cent in 1966, averaged out at 3.7 per cent. The world's fifth largest trading nation, Canada will export an estimated $11¼-billion of goods this year—more than half of it to the U.S.

Canada's natural resources have barely been scratched. Hardly a year passes without fantastic discoveries of new mineral wealth, causing reporters to grope for new superlatives to describe them. *Northern Alberta and the adjacent territory holds oil and*

gas reserves exceeding those of the oil-rich Middle East. Saskatchewan overlies extensive beds of rich potash, which, as an ingredient in fertilizer, will be in great demand as the world struggles to feed an increasing population. Baffin Island is the site of 130 million tons of the world's richest iron ore deposit. Lead, zinc, and copper abound along with the non-metal minerals, asbestos, gypsum, salt, sulphur and many others.

What Price Capital Investment?

People and money. If Canada's labor pool was shallow, its supply of capital was—to push a metaphor perhaps too far—little more than a drop in the bucket. For however energetic, self-reliant, imaginative and industrious a people, and however shining their beckoning goal, it can be attained best through capital investment. The alternative is indefinite postponement. But the capital flowed in—a massive infusion of it—from two directions: much of it from England, but most of it from the south, the United States. The total U.S. investment in Canada is now estimated at $25-billion, of which $8-billion was pumped in during the last decade. The result, in terms of a quickening economy and material gain, has already been noted. The price paid—and opinions differ as to whether it has been too high—was to place some control in the hands of foreign interests. It is believed that 52 per cent of Canadian business is controlled by American capital. But, as one Canadian government expert noted, *that* depends on how Canadian industry is defined. He added that you can get any figure you want depending on what you are trying to prove. More reasoned estimates of what Canadians own in their own country —Canadian capital in Canadian enterprises, industrial and commercial, utilities and everything else—is believed to reach about 70 per cent.

For the government at Ottawa no less than those in the capital cities of the provinces, reaching 1967, the Centennial year, means a period of pause—to review the past and speculate about the future. Implicit in this brief sketch of how Canada's economy evolved are the uncertainties, coupled with a nagging need to press ahead and know what happens next...how the economy will build upon what exists and how it will meet tomorrow's marketing challenges. This is of great national, hemispheric and, indeed, international concern.

In the forefront is the classic dialogue over desirability and existence of financial independence.

The Political Cry Has Generated the Call for Financial Independence, Too

Among the problems faced in the management of Canada's exuberant economy are these: How to increase industrial productivity and reduce unit costs? How to compete more effectively in world markets? How to prevent large balance-of-payments deficits? How to keep the economy from overheating and causing runaway inflation? How to attract more skilled technicians, engineers, and professional people... and hold onto them? How to prevent the trained among Canadian nationals from moving to other countries in need of their skills? All of these questions are interlocked; they are the chronic problems of a growing economy. And they will always, to a greater or lesser degree, tax the ingenuity of the marketer, the economist, and the public servants on the upper levels of government.

But there is another question, peculiar to Canada and seemingly of pressing urgency. The Centennial year, with its attendant strong nationalistic feelings, has triggered a preoccupation with the knotty problem of how to finance the continuing expansion of the Canadian economy without the loss of sovereign power. Those of the Liberal persuasion foresee a takeover of not only business and industry but of Canadian political power and independence in the community of nations. The more extreme advocates of this posture have an almost morbid fear of being swallowed up in a financial intrigue manipulated by a villainous Uncle Sam. And the flames of nationalism are fanned by shrill newspaper stories of the "Is Canada for Sale?" variety.

Among Conservatives, a more moderate view prevails. Canada, they reason, began with nothing and nothing can be built without men, money, and machines. The time will come, this view holds, when men, money, and machines are of sufficient supply and outside help and investment will no longer be needed. The Centennial year notwithstanding, that time has not yet arrived.

The opposing views converge in agreement on the necessity for Canadian independence; they differ only in how financial independence can be attained. And they bring into sharper focus what the ideal Canadian/U.S. relationship should be.

American dollars have found their way to Canada for good reason—a reason that should be a point of pride with Canadians. This is the inherent stability of the Canadian economy. The movement of dollars to Canada also has a benefit other than enabling its economy to grow; it makes possible the purchase of more American goods than Canada exports to the U.S. In 1966, for example, Canada bought $7.1-billion of goods while exporting only $6.2 billion to the U.S.

The benefits to Americans cannot be gainsaid. For its investment, American business in 1966 received $1.25-billion in dividends, management fees, and royalties. And Canadian affiliates of U.S. firms use substantial numbers of production parts and raw materials imported from the U.S. These were 15.5 per cent of imports in a recent year.

"The only way you can develop such a land is to bring people and money and machines and equipment in. You can't manufacture them out of thin air. But if you take all Canadian capital invested in all Canadian enterprises, something like 70 per cent or more is owned by Canadians. The proportion of foreign capital to our total requirement has been a declining thing; I would expect this will continue."
Dr. John J. Deutsch

"When Canadians talk about their country and the need to recapture a greater measure of control over the direction of their own economic affairs, it is not in any spirit of anti-Americanism or anti-anything. There is very little anti-American feeling in Canada these days. It is merely because we believe we have a special destiny to fulfill ourselves as a free and independent people."
The Honourable Walter Gordon

Against this economic background, consider the spectrum of political thought. The Liberals, personified by Privy Council President Walter Gordon, would reduce control of Canadian industry by outsiders to one-third within the next 30 years. Foreign capital would be accepted but only in the form of bonds and securities. They would urge Canadian investment into Canadian development. They would demand information on the operation of all large businesses, both domestic and foreign controlled. And finally, they would so tax the foreign ownership or the sale of businesses as to discourage such ownership. In other words, Yankee go home!

Some rather extremist addenda to this more official position found its way into print recently as an interview with Joseph Smallwood, Newfoundland's Premier. He advocates plain hard work. He wants Canadians to roll up their sleeves and do everything for themselves. If this means eating only one meal a day, the Premier says he is for it.

By implication, Mr. Smallwood is against what has happened in Alberta. There, an American oil company, Sun Oil, invested $230-million for an equipment complex that will withdraw crude oil from the extensive tar sand deposits. In return, Sun became 76 per cent owner of Great Canadian Oil Sands, Ltd. Significantly, the tar sands' existence has been well known for about 200 years. Until now, no one invested the capital to extract their 45,000 barrel daily yield.

Bigger Investment but Lower Proportion

Is there another way? Is there a policy that would be non-restrictive, encourage non-Canadian participation but still enable Canada to be independent? The question begs that foreign investment means domination and, by implication, political submission.

Some observers note that, in the long view, Canada has provided an increasingly larger share of its capital requirements. Doctor John James Deutsch, Chairman of the Economic Council of Canada, claims this to be true in recent decades. In the early 1900s, he points out, capital inflow from Great Britain was enormous; the proportion of British capital to the total investment was far greater than any foreign capital has been since. Following World War I, U.S. capital flowed in, but less was needed in proportion to total requirements than in the previous period. In the 1940s, the proportion was less than in the 20s. And presently, the proportion is less than it was in the 50s.

Dr. Deutsch would solve Canadian problems in non-restrictive moves. He advocates better technology for an improved productivity. He would beat down the tariff to permit freer trade with the U.S. and for open competition. And he would encourage greater self-reliance on the part of business and a move away from dependence on others while maintaining the historic business relationships with them.

The Move to Marketing Independence Raises Many Questions

The foregoing has shown how nationalistic feelings colour Canadian attitudes about the use of foreign investment for needed growth. To say that the running dialogue on this subject divides itself between conservative and liberal factions is to take a simplistic view of a complex subject. The fact is there are those in all parties with differing opinions of what the right solution may be. None have been able to advance solutions—to the complete satisfaction of the others—to the sticky questions that adhere to the many facets of the problem.

Assume that Canada elects to go it alone. Even the most liberal among Canadians will find Mr. Smallwood's extremist position, if not totally unworkable, difficult to implement. Who among us does not seek comfort *now*? Why, in this age of industrialization and technological boom, should anyone embrace a mode of life more appropriate to an age of voyages and discovery—that of a self-sacrificing frontiersman?

Today, man is primarily a provider and solver of day-to-day problems. He wants to provide for his family and educate his children. And he naturally tends toward these areas where his practical problems can be solved most easily. This is one reason why emigration has been a chronic Canadian problem—in spite of the land's promise and richness. Only during the depression of the '30s did the pattern reverse itself; Canadian emigrés flocked back to Canada in numbers large enough to be significant. This being true, going it alone will not solve the urgent problem of a shortage of skilled labor and a technical elite. The Smallwood solution, in this context, would intensify rather than solve the brain drain and the need for competent technical help.

But can the proposed government pressures for marketing independence—tax controls, tariffs, self-serving economic leverage—produce beneficial effects?

No one can say for sure. Walter Gordon doesn't know. In explaining his position to petroleum men in Alberta recently, he said that building a wall around Canada—a tariff wall or any other kind—would be "the height of folly." Then, hinting at what bothers him most, he explained that there is a "world of difference between" walled isolation and "the more or less complete integration of our economy with that of the United States." If the phrase "more or less complete integration" seems a contradiction in terms, it also serves to illuminate the extent of anxieties some Liberals suffer in this regard. Mr. Gordon completed his thought by expressing his hopes for a rejection of extremes in favor of a middle course. The "middle course" presumably means the complete embracing of his restrictionist proposals.

But suppose that a restrictionist program were adopted. Would anyone know immediately Whether it were good or bad? Probably not. Indeed, the strength of today's economy and the optimism that prevails for the immediate future might very well mask any

unfortunate side effects. On the other hand, should the economy reverse itself, the go-it-alone movement could very well be slowed to a halt. Then, should Ottawa seek to buffer the economy through more outgoing policies, today's momentum would be lost. Getting it started again could be a slow and painful move.

Suppose Canada continues its traditional dependence on others for capital. Must political takeover follow, ipso facto, as the strident restrictionists would have us believe? Not very likely.

The High Price of Sympathy

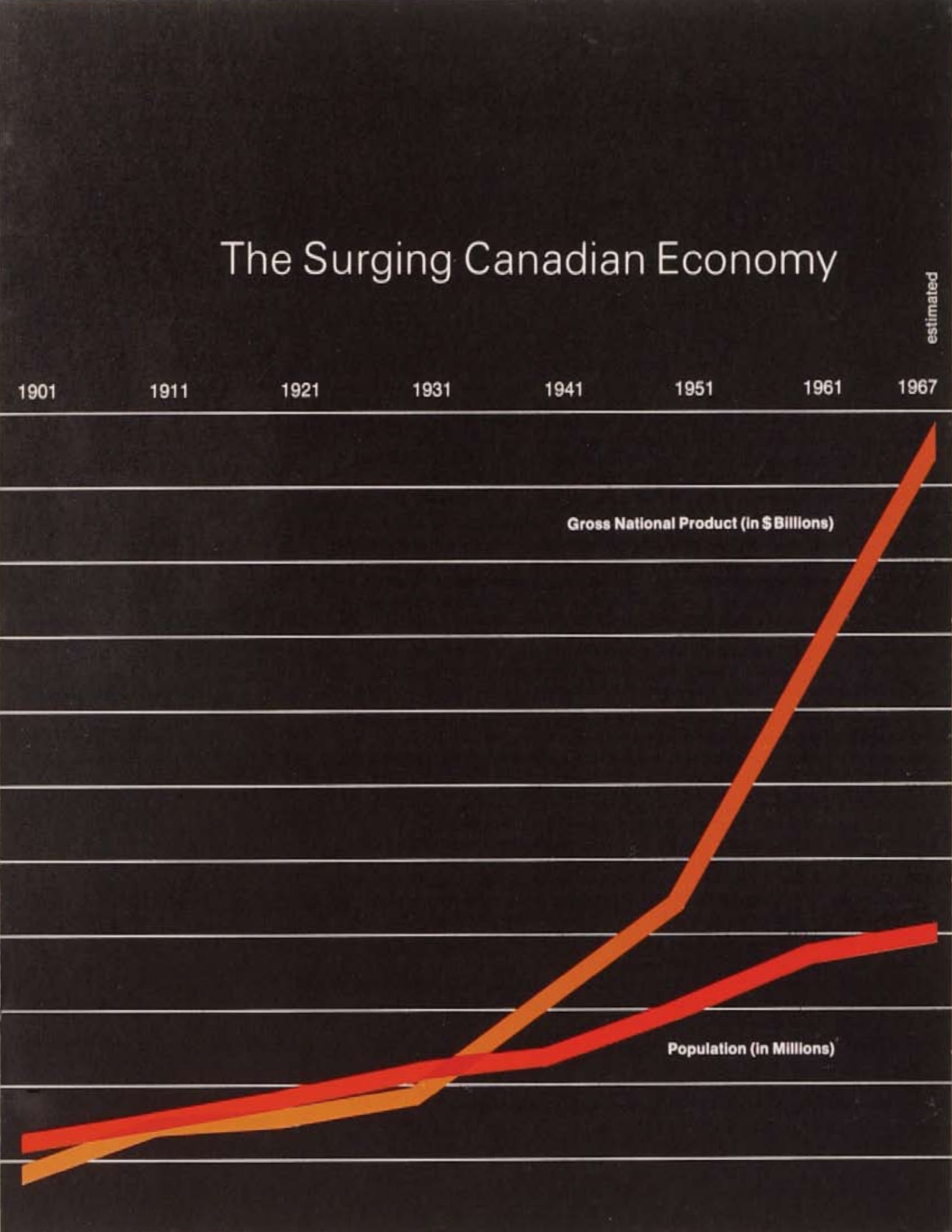
There are few strong nations that have not invested in needy countries around the world. This is true of the U.S. no less that the U.S.S.R. or Great Britain. And quite obviously, the donor nation hopes for and, indeed, can expect the recipient nation to sympathize with its political philosophy and destiny. Sympathy sometimes comes at a high price. To cite only one example, Indonesia's vacillation cost Uniroyal its vast and productive acreage in rubber trees there. As we know, the move proved a costly one for the Sukarno government when this corporation, with subsidiaries in 23 foreign countries, withdrew its management and technical know-how.

The unfortunate results for Indonesia from Uniroyal's withdrawal may argue strongly for the use of outside capital and equipment. It argues even more forcefully against the belief that political domination is the inevitable accompaniment of capital investment. Painful as Uniroyal's withdrawal surely was, it had no choice but to allow the Sukarno government to follow its destiny as it saw it.

The need for individual nations to follow their destiny—however much or little one might agree with their direction—is irrepressible. And it matters little to which end of the economic spectrum they incline themselves. No one, for example, relishes the chaotic posture Red China exhibits to an anxious world. That troubled land appeared to prosper during a happy phase of Sino-Russian relationships; when relations were severed, a plague of trouble seemed to fall upon her. The restoration of calm may be a long time coming while all nations—Canada, Great Britain, France, Russia and the U.S. alike—look on and ponder how China's writhing might affect them.

The great wonder of the Chinese Wall is a useful anachronism; signifying both the futility of physical barriers in an age of rockets and supersonic aircraft, and, at the same time, man's ability to erect even higher barriers in his own mind.

The Surging Canadian Economy



Facts and Fables: Toward and Away from Canadian-U.S. Understanding

The average American man-in-the-street knows little about Canada. To most, Canada is a frozen mass, supporting a vegetation consisting of huge forests, inhabited chiefly by lumberjacks, snowshoed trappers and Eskimos, and policed by "Mounties." He also believes the Canadian government answers to Great Britain in a way that isn't at all clear, and this confusion is compounded by the fact that many Canadians unaccountably speak nothing but French.

Has Canada an identifiable image? Assuredly, it has. For every nation, and every business operating within that nation, has an image. No matter that individual nations or corporations may not want an image or, indeed, make no effort to project one, the image exists as long as human intelligences exist to perceive them. In communications this is axiomatic —just as one knows that images can be changed—should that need exist.

The images of Canada held by the American marketer, the financial community and Washington are of greater immediacy and substance than that of the average citizen. But here too, misunderstanding and misinformation about each other persist.

To the American marketer, the view to the north is discouraging. Since he is used to a target of 200 million people, one tenth that number cannot be quite so compelling—especially when scattered across a 4500 mile wide reach. If, on top of these difficulties, he finds a tariff barrier, his lack of interest is understandable.

Parochialism and Promise

To the financial community, the shrill cries of Canada for Canadians are barely comprehensible. Capital makes business go—whether the business is in Ontario or Ouagadougo. Rejection of capital, in their rather parochial view, is suspect. But the Wall Streeters and the investment bankers are keenly appreciative of Canada's promise and see it as an excellent area for the investment of risk capital. Understandably, they abhor the restrictionist activities inside Canada which would limit foreign investment.

The view from Washington is clouded by storm and thunder from Southeast Asia. The U.S. government would like Canada, perhaps more than any other nation, to see world affairs through glasses coloured by American self-interest. Indeed, Washington would like Canada to see things its way without having to remind her that both occupy the same half of the same hemisphere and that points of view that fail to jibe are inimical to the best interests of both.

Canada's view of the U.S. is less hazy. There, the man-on-the-street sees the U.S. as fast, inventive, and progressive. He is convinced of these things because of America's ability to display such qualities—true or not—through television. The broadcasting of American programmes where border cities can pick them up direct, in addition to the tendency of Canadian broadcasters to emulate American programming, has

Americanized a good many Canadian viewers. Aside from the electronic-influence from south to north, there is the travel factor. Canadians tend to travel southward. They spend more time in the U.S. than Americans spend in Canada. But the Americanization of Canada can go just so far; Canadians bristle at being mistaken for a Yank... however much they identify with American fashions.

The Canadian marketer also has a clearer view of the U.S. than his American counterpart has of Canada. The U.S. is, after all, one of his biggest customers. And, to him, that customer is the "Excited States" where business is conducted in an atmosphere of almost frantic urgency, compared to his more leisurely business practices. The U.S. is also one of his toughest competitors in some world markets. Therefore, Americans are to be carefully watched lest they make inroads into foreign markets that, historically, Canadians consider their own.

Perhaps nowhere more than the financial community are the aims of the North American neighbors more alike, better understood, and capable of greater understanding—each for the other. For the Canadian exchanges, no less than Wall Street, see their role with crystal clarity; both are bound by the common objectives of the capitalist, entrepreneurial philosophy. They know that capital turns the wheels of industry.

Within a Cloud, an Ambiguity

If the view from Ottawa can be said to be clouded, it is the result of looking inward as much as concern for Canada's role in international affairs. Never as strong as the central governments of other nations, the present Canadian administration appears unlikely to resolve any disunity generated by several factors: the independence of individual provinces and the jealousy of the provincial governments for their own rights, the special problem of two languages and the culture within a culture of the Quebecois, the substantial disparity between the wealth of one province against some others, the eastward tug from France and England and the persistence of custom, the persistence of a real search for a separate Canadian identity. All of these things contribute to an ambiguity in central government—an ambiguity strong enough to claim the preoccupation of government as well as individual Canadians.

In urging Canada for Canadians and pursuing restrictionist tax and tariff policies, the administration in Ottawa ruffles the feathers of people at home as well as those who are excluded by strongly nationalistic objectives. The policy has not, however, been employed to the extent that Washington, or any of the other capital cities around the world, are alarmed that Ottawa will upset the ranks of the western democracies. Indeed, Canada's participation in aid as a peacekeeper and with material things for the world's trouble spots has done much to create an image of a nation determined to follow an independent course—strong, reasoned, yet moderate.

The Problems of Canadian Communications in a Shrinking World

Manned satellites have brought back photographic proof that, from 140 miles above the earth's surface, the magnificent Rocky Mountains are no more impressive than the fuzz on a peach. In fact, if all of mankind could be so densely packed in one place as to be seen at all from 140 miles up, it would be nothing but a protoplasmic stain.

One-hundred-and-forty miles isn't far; it's about half the distance between Toronto and Ottawa. Straight up, however, the distance must be reckoned in terms of technologic advances which have revolutionized communications and will revolutionize marketing.

Communications satellites now have a life expectancy of five years and 1,200 circuit capability. The next generation to go into orbit will handle 6,000 circuits, a five-fold gain. No one can forecast all the ramifications but, should Canada follow the recommendations of its Science Council to "make or buy" communications satellite launching facilities, several immediate benefits would accrue. Communications satellites would bind together the vast land area that crosses five time zones. They would help to open the north by broadening telephone services and providing educational and entertainment TV. Should Canada not undertake such a program for itself, facilities could be rented from the U.S.

The benefits from satellite communications are impressive; so too are the new travel facilities that are bringing nations closer together. Ten years ago, almost 99 hours were needed to encircle the globe by plane. That time span has been reduced to under 60 hours and, with supersonic transports circling the globe will take less than 28 hours in 1980.

Beyond Technology, the "Lag"

Canada will be what its business and industry do. Let's consider, therefore, the part to be played by *marketing* communications. In the quality and content of their messages, most of today's marketing communicators might as well be pounding a hollow log... hoping without knowing if anyone can hear. That's not to say that they can't perceive the value of strong, clean communications. But all do suffer from "communications lag." This refers to the fact that, in organizing their message—in the use of art and symbols, graphics and typography, the syntax and tone of voice—marketers fail to keep up with the receptors. Indeed, some fall behind to an alarming degree. They have no positive communications strategy. They have no communications platform with definitive goals. Moreover, they appear studiously unconcerned over the lack of such programmes.

The way a corporation identifies itself to its publics—by its corporate name or brand names, logotype design, advertising format, packaging and product design, and the many other elements that contribute to the "look" of a company—is characteristically at rest, a more or less fixed point in a maelstrom of change. A corporation sometimes changes this look to meet changing market conditions; it's a reactive process. But many corporations are either slow to act or fail to act at all.

Many companies have trouble communicating effectively in domestic markets; in international markets, they are hopeless. To put it another way, if communications can break down among the publics with whom a marketer shares similar customs, culture, and language, what can he do with the more subtle barriers of a foreign culture?

Some Canadian companies have recognized the problem and done something about it. In the financial community, the Royal Bank offers a good illustration. Pertinent to its problem is the fact that the banking business in Canada has been attacked in newspaper articles as "backward, unimaginative, non-competitive, monopolistic, and secretive." While it may have deplored this unfair picture of banks generally, Royal Bank also saw an opportunity to stand out as a modern bank with a modern approach to business.

As the bank itself described the problem, "Old descriptive terms and symbols fall short of what we find necessary in business and community. When we consider the state of the market place today we are convinced of the vital importance of an earnest effort to build better images. The customer's initial buying decision is not made on quality and price alone but also, and to an increasing degree, on his impression of the maker and the seller. People tend to humanize a company. It is 'friendly,' or 'liberal,' or 'self-respecting,' or 'solid.' They like to deal with firms they can 'feel good' about."

A corporate communications system was devised for Royal Bank. It has been successful because the firm analyzed the problem carefully at the outset and then selected a system possessing the utmost flexibility, intelligibility and proper personality.

To Stay Ahead of Tomorrow—a System

The importance of communications systems planning is no less true in the retail business. A fuddy-duddy, old-fashioned image can destroy a department store chain which depends for sales on being ahead in styles and trends. This was apparent to the Hudson's Bay Company and it decided to restructure its communications system to align it with today's retail buying and selling attitudes.

The new system to which it moved is typified by the acceptance of a shorter name, "The Bay," familiar to all of its customers. A packaging system, signage, a logotype and other communications elements were keyed to this name change when the system was structured. As a consequence, The Bay has lost none of the equities that adhere to a venerable retail institution but it has also convinced its publics that it is geared to today's go-go merchandising.

What of the large industrial corporation, preparing for an increasingly important role in international markets? Cominco—formerly The Consolidated Mining and Smelting Company of Canada—exemplifies the corporation that thinks globally and has translated its thoughts into action. Its story is told on the following pages.

A Marketing Mission in the World Community

That most celebrated of Canadian English professors, Marshall McLuhan, compares man in the mid-1960's of the "electric age" to a computer. As such, man is fed more information per day than at any other time in history. This daily input of data from sources all over the world is meaningless to many people. To many others, particularly politicians and marketers, it is digested, stored, and used for good or ill.

Too often the data reveals nations trapped in a vicious circle of poverty. The parts of the circle are these: little capital, low productivity, poor natural resources, low income, low savings, and low investment. The circle can only be broken from the outside—by nations and by businesses within nations—by those who care about peace-keeping and about the state of the human condition.

And so, in asking whether Canada's future will be one of a market or a marketer, one can only view her as a member of the world community. In that community, the strengths and weaknesses of individual nations impinge upon each other. In their interaction, they are like the primitive tribe which divided labor between hunter, wood gatherer, and so forth for the common good. Upon this principle, civilization grew.

At this stage of her evolutionary process, Canada is both market and marketer—and will be for generations to come. She seeks the ways in which her economy can successfully mesh with those of other nations. In her quest, Canada will provide the gladsome break in the vicious circle of poverty for other nations as others did for Canada at an earlier, needier time.

How One Canadian Company Realigned Its Corporate Communications To Expand into a Worldwide Enterprise

Mines and metals...ores and concentrates...hydro-power plants...chemicals and fertilizers...electronic products...docks and warehouses...manufacturing plants...a sales volume approaching $230,000,000. This is Cominco Ltd., major world producer of lead, zinc and chemical fertilizers.

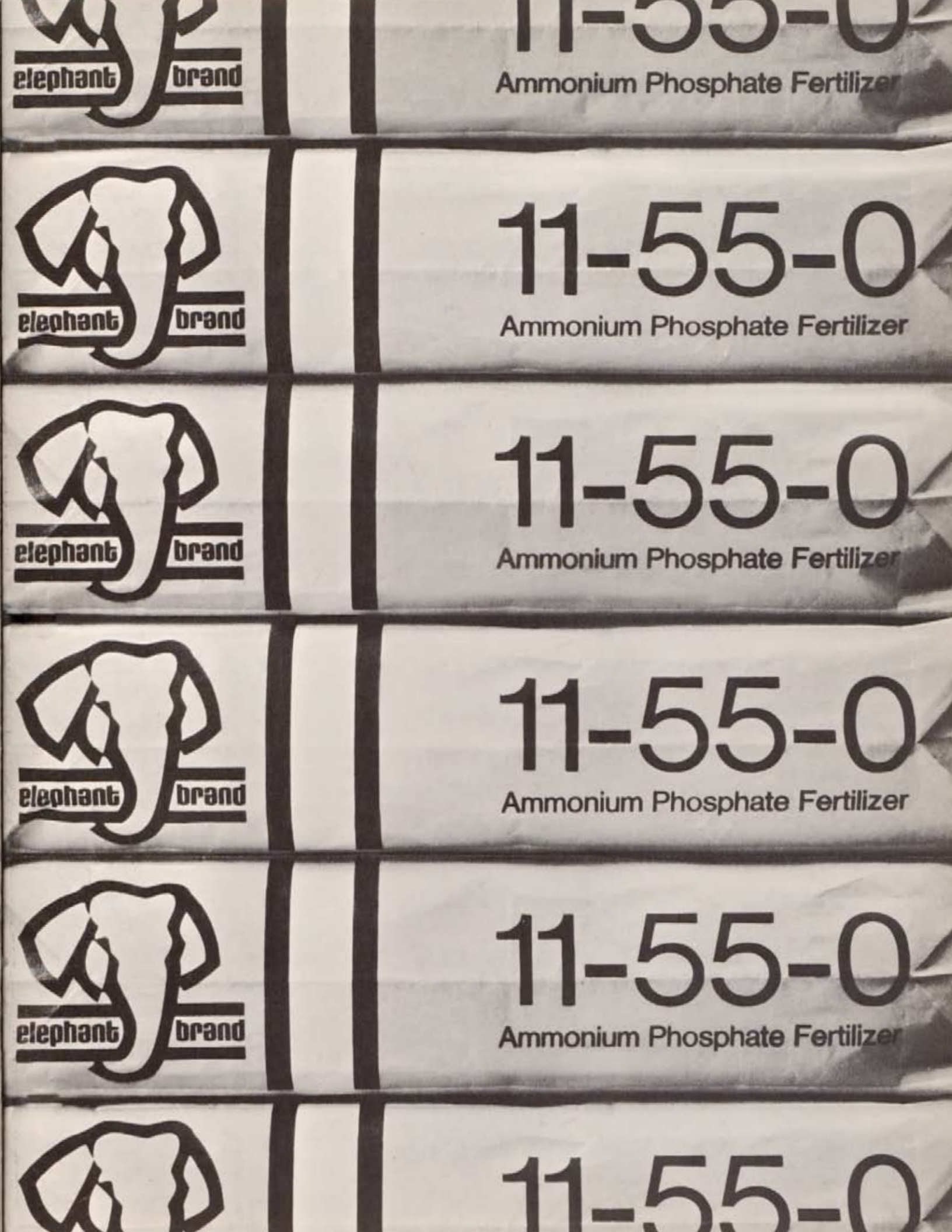
The fact that it is 95 per cent Canadian-owned suggests a kind of North American parochialism—a suggestion that is only partly true. Less than ten years ago, Cominco's operations were indeed confined to Canada. Today, its far-flung affiliates include Cominco Binani in Calcutta, Mitsubishi-Cominco in Tokyo, Cominco-Gardner in Dusseldorf, and Cominco American in the U.S. And tomorrow where? In Cominco's words, "Anywhere in the world."

Where is Cominco headed financially? Up; decidedly so. Among the fiscal highlights of Cominco's recent past, several factors clamour for one's attention. In 1961, after 55 years of steady growth, Cominco's sales totaled $124,403,000 and its net earnings reached $21,435,000. By 1966, sales had almost doubled ($228,752,000) and net earnings had considerably more than doubled ($49,183,000). In the same five year period, Cominco shows an almost six-fold increase in capital expenditures—from $10,877,000 in 1961 to $66,006,000 in 1966. While Cominco indicates this rapid rate of growth to be an uncommon one, obviously, Cominco is on the move.

Significantly, the five year period 1961-1965 saw the firm establish its manufacturing affiliates around the world. The following year it shed its portmanteau corporate name—The Consolidated Mining and Smelting Company of Canada, Limited—for the shorter, easy-to-use, more memorable Cominco, Ltd. The change was not happenstance. As it prepared to branch out internationally, the firm realized the importance of communicating with the nationals of other countries. However explicit, the name "Consolidated Mining and Smelting Company" is a good-sized mouthful in English. Would it come trippingly off the tongue in Japanese? In German? In Hindustani? What about the more than 2,000 other languages around the globe? More to the point, would the long name communicate the less explicit qualities of a modern management, confident of its global destiny? The firm decided that it did not.

The company had been using the name Cominco communicatively for some years. It now called upon Lippincott & Margulies to evaluate its new name in terms of effectiveness as a legal name as well. An L&M study confirmed the validity of its suitability as a corporate title. But while a shorter name was important to Cominco's goal, it was only a first step. L&M advised the firm to restructure nothing less than its entire communications system—and for good reasons.

The firm's activities had grown to include much more than mining and smelting. The different divisions of the company needed to be bound together for their common good. Cominco had to decide, first of all, what its corporate personality was, whether it had to be


elephant brand
11-55-0
Ammonium Phosphate Fertilizer
elephant brand
11-55-0
Ammonium Phosphate Fertilizer
elephant brand
11-55-0
Ammonium Phosphate Fertilizer
elephant brand
11-55-0
Ammonium Phosphate Fertilizer
elephant brand
11-55-0
Ammonium Phosphate Fertilizer
11-55-0

changed, which elements were to be projected. Once these questions were resolved, Cominco was in a position to build a communications platform from which its goals could be realized.

After much consideration and planning, specific directions and the means of implementing the program were chosen. To begin with, a distinctive logotype had to be developed to meet certain criteria. It had to convey a specific mechanical and industrial character appropriate to the firm. It had to be unique, memorable, and flexible enough to be used in a wide variety of ways. It had to convey as well, an impression of a modern industrial corporation. Outdated and inappropriate, the old dart-shaped logotype met none of these criteria. Moreover, it was rather similar to some competing industrial brands. The recommendation, after reviewing many candidate designs: the new Quadra-form, approved by Cominco.

Next, Lippincott & Margulies created a complete nomenclature system. Built around Cominco's new corporate insignia, it effectively related the various corporate divisions to the parent. One aspect of this effort was the renaming of several divisions to make them more meaningful to Cominco customers.

In the creation of a nomenclature system, many detailed but related elements are involved. No matter how small they may seem to the unsophisticated, they cannot be shrugged aside. As representative of divisions and subdivisions and parts of a larger communications picture, they have pertinence and significance.

Is a particular type face important to a company's "look" where the most broad communications goals are concerned? Very much so. L&M designed a special face to implement the Cominco programme. Called Cominco Unique, it was adapted to letterheads, checks, business forms, calling cards, safety posters and a host of other printed materials which all corporations need in their daily routines. And it was employed in the more public, and more visible areas of advertising, signage, rolling stock (trucks, railway cars, etc.). L&M even redesigned Cominco's stock certificates.

Nor was package design excluded. The corporate identity programme was applied to the firm's Elephant Brand Fertilizer package to good effect. Because the brand is well known in both foreign and domestic markets, the Elephant symbol was retained but given a modern graphic treatment. And it was used in conjunction with the new orange and black Cominco symbol.

In this comprehensive fashion, Cominco has formed a solid communications base for its present and future expansion into world markets. The use of a planned corporate identity system will contribute significantly to the building of a greater awareness of Cominco before a global public. And it will do so for all Cominco affiliates and subsidiaries.

Readers of this issue of Design Sense will find the following of special interest:

Design Sense No. 50—Global Communications: It Is Later Than You Think
Businessmen everywhere find themselves in an evolutionary era which few define accurately. Its focus is the breakdown of national custom and cultural difference and the creation of a global market instead of bits and pieces of trading areas. How Chrysler Corp. and others perform in the global market through improved communications. (This issue published in English, French, German and Spanish).

Design Sense No. 46—Ethnic Marketing Spoken Here
The intensity of competition in today's marketplace gives even the smallest shares of market unprecedented importance. Strong appeals to special consumer groups have therefore emerged as a new marketing lever. And marketers capture consumer loyalty and extra share-of-market points by surrounding a product with an ethnic aura.

Design Sense No. 44—Corporate Turnaround
How professional management takes stock of where a company is going and how it proposes to get there... how an old corporate identity is scrapped and replaced. Described are the behind-the-scenes reshaping of three corporate identities and the far-reaching effects of the individual programs of all three.

Design Sense No. 42—International Markets
Advance knowledge of customs and cultures is essential to successful world trade. Here are guidelines for international marketers with special reference to Taste, Business Customs, Appropriate Trademarks, Foreign Sensibilities, Competition for Labor and Social Amenities. An awareness of cultural barriers is step number one to success abroad.

Design Sense No. 41—Two Assignments: U.S. Rubber and Borg-Warner
U.S. Rubber and Borg-Warner suffered from the same affliction: failure to identify themselves precisely to their various publics and, therefore, failure to communicate their true business character. But the specific cure for each was quite different, pointing up the danger of generalizing about corporate communications.

A limited number of these issues are still available.

All requests should be addressed to: Design Sense
Lippincott & Margulies
277 Park Avenue
New York, N.Y. 10017

In Canada: 2200 Yonge Street, Toronto

In Europe: 53 Grosvenor Street, London W. 1

LIPPINCOTT & MARGULIES, INC.
and LIPPINCOTT & MARGULIES LTD.
U.S.A.: 277 Park Avenue, New York, N.Y. 10017
Canada: 2200 Yonge Street, Toronto
Europe: 53 Grosvenor Street, London W1

Consultants in Design—Marketing—Communications
Communications Planning
Corporate Identification Systems
Interiors—Architectural Exhibits
Market Planning
Market Research
Name Development
Package Planning and Design
Product Planning and Design

Printed in U.S.A.